Department of the Treasury Internal Revenue Service

Earned Income Credit Advance Payment Certificate

1991

Instructions

Purpose of Form.—Complete Form W-5 and give it to your employer if you expect to be eligible for the earned income credit and want to receive the credit in advance.

The checklist on page 2 will help you find out if you may be eligible for the credit. Please read these instructions carefully before you begin the checklist.

What Is the Earned Income Credit?— The earned income credit is a tax credit that can provide up to \$1,235 to certain taxpayers who have incomes under \$21,245 and have one or more children living with them. If you are eligible for the credit, you can get it even if you owe no tax.

Who Can Take the Earned Income Credit?—If you have a qualifying child (see Definition of Qualifying Child on this page), and you expect your 1991 earned income and adjusted gross income each to be less than \$21,245, you may be eligible for the earned income credit.

Note: Your 1990 adjusted gross income was reported on Form 1040A, line 16, on Form 1040EZ, line 3, or on Form 1040, line 31.

Signature ▶

If you are married, you **must** file a joint return to claim the earned income credit unless you lived apart from your spouse for the last six months of the year **and** you qualify to file as head of household. If you are a qualifying child for another person who expects to claim the earned income credit, you may **not** claim the credit. In addition, you are **not** eligible for the credit if you expect to claim the foreign earned income or housing expense exclusion or the foreign housing expense deduction.

Advance Payment of the Earned Income Credit.—If you are eligible, you can choose to get up to \$1,192 of the credit in advance with your pay instead of waiting until you file your annual Federal income tax return. To receive the credit with your pay, fill in the advance payment certificate at the bottom of this page, detach it, and give it to your employer.

You may have only **one** certificate in effect with a current employer at one time. If you and your spouse are both employed, each of you should file a separate Form W-5.

Note: You may be entitled to a larger credit if you have more than one qualifying child, have a qualifying child

under age 1 at the end of the year, or are eligible for a health insurance credit (see Supplemental Credits on page 2). However, you cannot receive an advance payment for these additional credits. You must file your 1991 income tax return to claim them.

Definition of Qualifying Child.—For purposes of the earned income credit, the term "qualifying child" includes:

- your son, daughter, adopted child, or their descendant, or
- your stepchild or foster child.

An adopted child includes a child who is legally adopted, or who is placed with you by an authorized placement agency for adoption by you. A foster child is a child whom you cared for as your own for the entire year.

The child must be under age 19 or a full-time student under age 24 at the end of the year, or be permanently and totally disabled.

If the child is married at the end of the year, you must be entitled to claim the child as your dependent. However, for purposes of the earned income credit, you will be treated as being entitled to claim the child as your dependent if you are the custodial parent and would have

(Continued on page 2)

Date ▶

Give the lower part to your employer; keep the top part for your records. Detach along this line ______ Form W-5 **Earned Income Credit Advance Payment Certificate** Department of the Treasury ➤ This certificate expires on December 31, 1991. Internal Revenue Service Your social security number Type or print your full name Home address (number, street or rural route, or apt. no.) City, town or post office, state, and ZIP code Note: If you file Form W-5 with an employer to receive advance payments of the earned income credit for 1991, you must file Form 1040 or Form 1040A for 1991. If married, you must file a joint return (but see the instructions for an exception). Yes No I expect to be eligible for the earned income credit for 1991, I have no other certificate in effect with any other current employer, and I choose to receive advance payment of the earned income credit If you are married, does your spouse have a certificate in effect for 1991 with any employer? Under penalties of perjury, I declare that the information I have furnished above is, to the best of my knowledge, true, correct, and complete.

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Earned Income Credit Checklist Yes No To find out if you may be eligible for the earned income credit, answer the questions below for 1991. Please read the instructions carefully first. If your answer is "Yes," STOP HERE. You are not eligible for the earned income credit. B Do you expect your earned income and adjusted gross income each to be less than \$21,245 (including your spouse's If your answer is "No," **STOP HERE.** You are not eligible for the earned income credit. C Do you have at least one qualifying child?............ If your answer is "No," **STOP HERE.** You are not eligible for the earned income credit. If your answer is "Yes," you must be able to answer "Yes" to ALL of the following: Do you expect the child to live with you in the United States for more than half of 1991, or for all of 1991 if the child is a foster child? (The amount of time the child lives with you includes time away at school or on vacation.). • If another person may be eligible to claim the earned income credit for the child, do you expect your adjusted gross • If the child is married, do you expect to be able to claim him or her as your dependent? (If you would be eligible except that you signed a written declaration or have a pre-1985 divorce decree or separation agreement allowing the Check box (1) or (2) below, whichever applies (if neither box (1) nor (2) applies, you may not claim the earned income credit): At the end of the year, the child will be under age 19 or a full-time student under age 24. (1)(2) The child is permanently and totally disabled.

(Instructions continued)

been eligible to claim the child as your dependent except that you signed a written declaration or have a pre-1985 divorce decree or separation agreement permitting the noncustodial parent to claim the child as a dependent.

The child must live with you in the United States for more than half the year (the entire year for a foster child). This includes temporary absences due to education, illness, or vacation.

If more than one person claims the same child for purposes of the earned income credit, only the person with the highest adjusted gross income may claim the earned income credit for that qualifying child.

If Your Status Changes.—If you file this certificate with your present employer and your status changes during 1991, you usually will have to fill in a new certificate.

If your status changes so that your answer to question A in the earned income credit checklist becomes "Yes," or your answer to any other question becomes "No," or if you no longer want to receive advance payments, you should file a new certificate. Check the "No" box in question 1 on the new certificate to show that you are not qualified or no longer want to get advance payments.

If your status changes because your spouse files a certificate with his or her employer, you must file a new certificate

with your employer. Check the "Yes" box in question 3 to show that your spouse has filed.

Reminder: You must get a social security number for any child who will reach age 1 by the end of the year.

Note: If you receive advance payment of the earned income credit and later find out that you are not eligible, you must pay it back when you file your annual Federal income tax return.

Expiration of Certificate.—This certificate expires on December 31, 1991. If you expect to qualify for the earned income credit in 1992, you must file a new certificate for 1992.

Additional Information

If you receive advance payment of the credit, you **must** file Form 1040 or Form 1040A for 1991. However, if you do not fill out Form W-5, you will not receive advance payments. If you are eligible and do not complete Form W-5, you can still claim the credit on your 1991 Form 1040 or Form 1040A.

How To Claim the Credit.—To claim the earned income credit on your Form 1040 or Form 1040A, you must attach a separate schedule to the return and provide:

- the social security number of **each** qualifying child age 1 or older at the end of the year, **and**
- the names and ages of **all** qualifying children.

Supplemental Credits.—You may be able to claim a larger credit if you have a qualifying child under age 1 at the end of the year. You may also be able to claim a credit for premiums you pay during the tax year for health insurance covering at least one qualifying child. You must file your income tax return to get the additional credits.

For more information, see **Pub. 553**, Highlights of 1990 Tax Changes, or **Pub. 596**, Earned Income Credit, which you can get at most IRS offices or by calling the IRS toll-free forms number 1-800-829-3676.

Privacy Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the correct amount of tax.

Internal Revenue Code section 3507 and its regulations say that you must fill out an earned income credit advance payment certificate and give it to your employer if you want the advance payment. Section 6109 and its regulations say that you must show your social security number on what you file. We may give the information to the Department of Justice and other Federal agencies, as provided by law. In addition, we may give it to certain cities, states, and the District of Columbia to carry out their tax laws.